



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 4  
SAM NUNN  
ATLANTA FEDERAL CENTER  
61 FORSYTH STREET  
ATLANTA GEORGIA 30303-8960

SEP 24 2010

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Aaron B. Lambert  
Environmental Manager  
Catlettsburg Refining LLC  
P.O. Box 1492  
Catlettsburg, Kentucky 41129

SUBJ: RCRA Inspection  
Catlettsburg Refining LLC  
EPA I.D. No.: KYD 041 376 138

Dear Mr. Lambert:

On August 3, 2010, the U.S. Environmental Protection Agency (EPA) and the Kentucky Department for Environmental Protection (KYDEP) conducted an EPA lead Resource Conservation and Recovery Act (RCRA) compliance evaluation inspection (CEI) at the Catlettsburg Refining LLC facility located in Catlettsburg, Kentucky. The purpose of the inspection was to determine the facility's compliance status with the RCRA regulations. The focus of the inspection was the operations performed by Rescar Companies on property which is part of the Catlettsburg Refining LLC facility. Enclosed is a copy of EPA's report documenting the results of the CEI.

No violations were observed during the inspection.

If you have any questions regarding this report, please contact Daryl Himes at (404) 562-8614.

Sincerely,

Alan Newman, Acting Chief  
North Enforcement and Compliance Section  
RCRA and OPA Enforcement and Compliance  
Branch

Enclosure

cc: Tony Hatton, KYDEP, Frankfort Central Office  
Jon Maybriar, KYDEP, Frankfort Central Office  
Duke York, KYDEP, Frankfort Central Office  
Ben Walter, KYDEP – Moorhead Office

Internet Address (URL) • <http://www.epa.gov>

## RCRA INSPECTION REPORT

1) Inspector and Author of Report

Daryl R. Himes  
Environmental Engineer

2) Facility Information

Street Address:

Catlettsburg Refining LLC  
11631 U.S. Route 23  
P.O. Box 1492  
Catlettsburg, Kentucky 41129

Main Office/Mailing Address:

Catlettsburg Refining LLC  
P.O. Box 1492  
Catlettsburg, Kentucky 41129

EPA ID Number - KYD 041 376 138

3) Contact Person

Aaron B. Lambert  
Environmental Manager

4) Inspection Participants

Daryl R. Himes, EPA  
Ben Walter, KYDEP  
Aaron Lambert, Catlettsburg Refining LLC  
Harold Scott, Catlettsburg Refining LLC  
Jason Blake, Rescar Companies (Rescar)

5) Date of Inspection

August 3, 2010

6) Applicable Regulations

Resource Conservation Recovery Act (RCRA), 42 U.S.C.A. §§ 6901 to 6992k  
Sections 3005 and 3007 of RCRA, 42 U.S.C.A. §§ 6925 and 6927  
40 Code of Federal Regulations (CFR) Parts 260-270, 273, and 279  
Title 401 Kentucky Administrative Regulations (KAR) Chapters 30-44

7) Purpose of Inspection

To conduct an unannounced compliance evaluation inspection (CEI) to determine the facility's compliance status with the applicable regulations and statutes.

8) Facility Description

Catlettsburg Refining has notified as a large quantity generator of hazardous waste. Catlettsburg Refining refines crude oil to produce gasoline, diesel fuel, kerosene, asphalt, six oils, lube oil, and pitch. Rescar operates a tank car repair and cleaning operation on the Catlettsburg Refining facility at 13160 Old US Rt. 23, Catlettsburg, Kentucky. This property is owned by Catlettsburg Refining and is adjacent to the address given above in this report. The focus of this inspection was on hazardous wastes generated and managed by Rescar.

9) Findings

Upon arriving at the property of Catlettsburg Refinery on which Rescar operates, credentials were presented to Jason Blake of Rescar and the purpose of the inspection was explained. A brief discussion of the facility's operations took place prior to performing a walk-through inspection. Below is a description of the observations made during the walk-through inspection.

Rail Car Cleaning Operation

Rail cars owned by Catlettsburg Refinery are brought by rail to the property used by Rescar for rail car repair and cleaning operations.

Jason Blake of Rescar explained that all rail car cleanings performed are minor operations and are performed on only a small number of rail cars when such a cleaning is necessary to repair the car. During such cleanings, 15 to 25 gallons of solvents are removed. These solvents are typically toluene, xylene, or ethanol which have remained in the rail car after a delivery to a customer was made. No cleanouts are performed by Rescar which involves the removal of a solid heel.

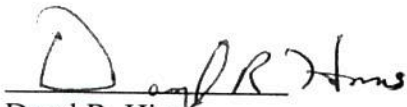
Several tanks were observed in the area of Rescar's rail car cleaning operation. One of these tanks is used by Rescar to receive the small amount of solvents, referenced above,

which remain in the rail cars prior to performing the cleaning operation. This tank (See Photo 1) was observed during the walk through inspection as a red tank (horizontally positioned) with approximate dimensions of 12 feet long and 4 feet in diameter. This tank was labeled "Slop Oil." Once the small amount of solvents has been transferred from the rail cars to the Slop Oil tank, a cleaning/steaming operation is performed with water and steam from four 3000 gallon tanks. The water in these tanks is used continuously with water being added to the tanks as necessary. Rain water which collects on the concrete pad beneath the rail car cleaning station (See Photo 2) is pumped to a plastic tank (See Photo 1) located adjacent to the Slop Oil tank. The plastic tank was labeled "Wash Water" at the time of the inspection. The solvents collected by Rescar in the Slop Oil tank are taken to Catlettsburg Refinery and placed back into the refineries operations for recovery. The wash water is eventually treated and discharged through an NPDES discharge.

#### Record Review

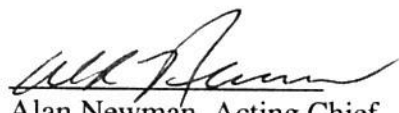
No hazardous waste records were required for Rescar based upon its current operation.

10) Signed

  
Daryl R. Himes  
Inspector and Author of Report

8/24/10  
Date

11) Concurrence and Approval

  
Alan Newman, Acting Chief  
North Enforcement and Compliance Section  
RCRA and OPA Enforcement and Compliance Branch

9/20/2010  
Date



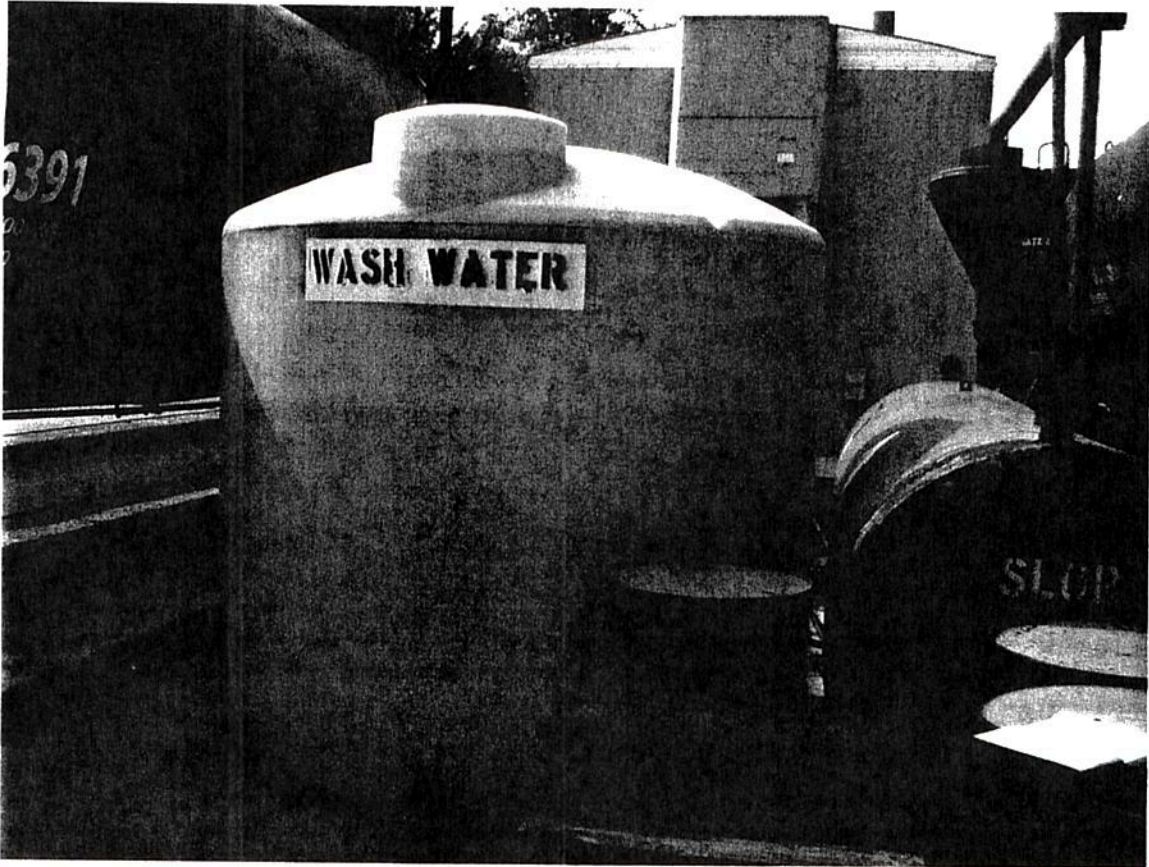


Photo 1 – Wash Water and Slop Oil Tanks

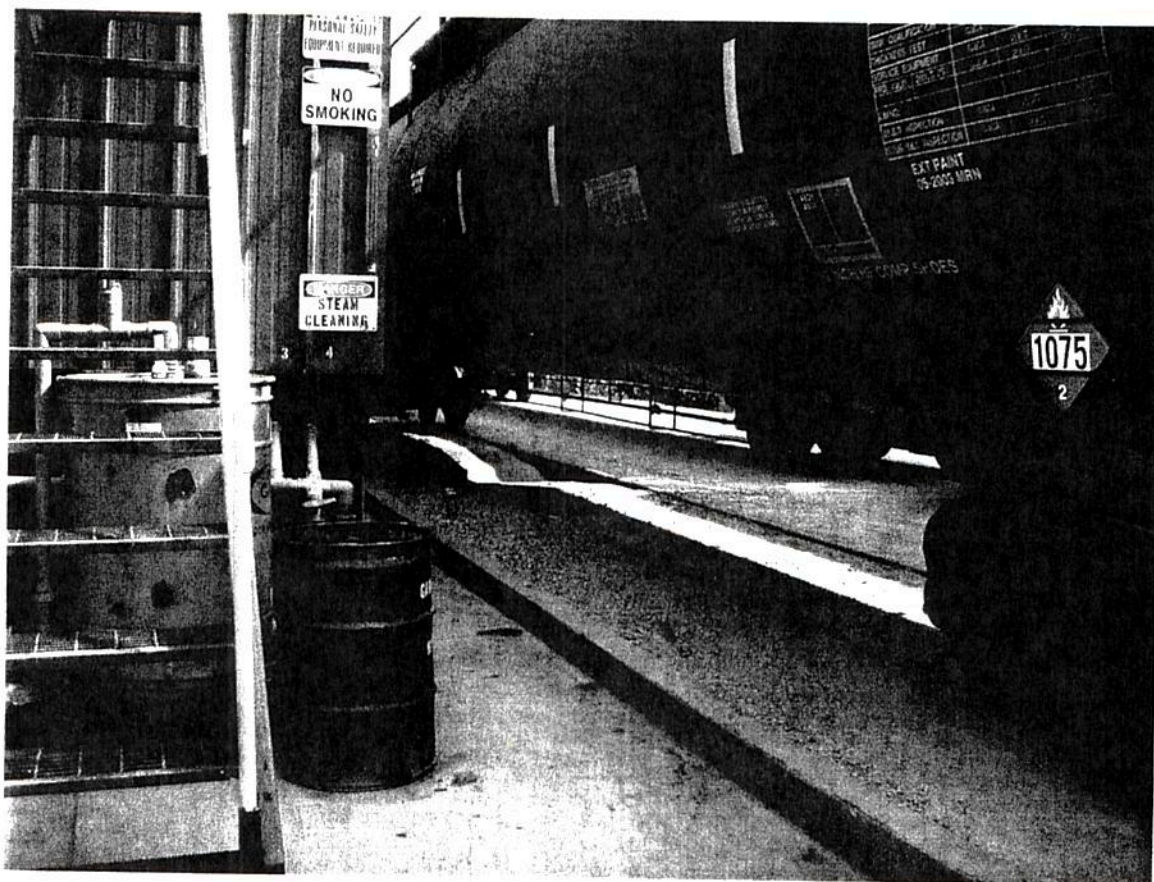


Photo 2 – Rail Car Cleaning Station



**Catlettsburg Refining, LLC**  
A subsidiary of Marathon Petroleum Company LLC

P.O. Box 1492  
Catlettsburg, KY 41129  
Telephone 606/921-3333

August 13, 2010

Mr. Daryl Himes  
US EPA Region 4  
61 Forsyth Street S.W.  
Atlanta, GA 30303

Dear Mr. Himes,

During your inspection of Rescar on August 3, 2010, you asked representatives from Catlettsburg Refining, LLC ("CRLLC") about the slop oil recovered from the railcars and recycled in the refining process. Specifically, you asked whether the railcars delivered product outside CRLLC and whether the slop oil was exempt under 40 CFR 261.4(a)(12). This letter will address each of these questions in turn.

The railcars transport product (xylene and toluene) from the CRLLC refinery to customers' terminals, where the product is unloaded. When the railcars return to the refinery, the railcars may contain residual product. If the railcar is identified for inspection and/or repair, the material is recovered by Rescar and is stored in a slop vessel. A vacuum truck removes the material from the slop vessel and inserts it into CRLLC's refinery slop oil system where it is fed into the refinery process. In summary, the residual is refinery product that could not be emptied from the railcars at the customers' facilities, and so it is returned to the refinery, recovered from the railcars by Rescar, and reinserted into the refinery process.

The residual from the railcars is exempt from the definition of solid waste because it meets the three requirements of 40 CFR 261.4(a)(12)(ii), which are (1) it is recovered oil; (2) it has been reclaimed from secondary materials generated from normal petroleum industry practices; and (3) it is recycled by reinserting it into the petroleum refining process.

First, "recovered oil" is a generic term that applies to secondary materials consisting primarily of oil. The preamble to the rule lists several examples of recovered oil, including slop oil and emulsions. (59 FR 38537; July 28, 1994). The railcar residual material recovered by Rescar and stored in the slop vessel consists primarily of oil. As such, it is recovered oil.

Second, the recovered oil has been generated from normal petroleum industry practices. The rule defines normal petroleum industry practices to include transportation incident to refining (SIC code 2911), petroleum bulk stations and terminals (SIC code 5171), and petroleum and petroleum products wholesalers except bulk stations (SIC code 5172). CRLLC's railcar transportation delivers refinery product to customers and is, therefore, incident to its refining operations. Any oil recovered from the railcar transportation falls within the exemption. It is



important to note that the recovered oil exclusion includes oil recovered from on-site and off-site sources. In other words, oil is exempt even if recovered off-site as long as it was generated from normal petroleum industry practices and is returned to the refinery for recycling. In this case, even though the railcars may leave the CRLLC refinery, the oil recovery occurs on-site. The original source of the residual material in the railcars is the refinery, and the residual is recovered by Rescar at the refinery.

Last, the recovered oil is recycled into the refinery process. The recovered oil is inserted into the refinery slop oil system via the G-9 sump, which discharges to Tank 894. This tank then feeds the refinery crude process units, which process the feed into useful products.

We hope this information fully addresses your questions about the exempt status of the residual material recovered from the railcars. If you have any additional questions, please do not hesitate to contact me at (606) 921-6504.

Sincerely,

A handwritten signature in black ink that reads "Michael S. Alley". The signature is fluid and cursive, with the first name "Michael" and last name "Alley" clearly legible.

Michael S. Alley  
Environmental, Safety, & Security Manager  
Catlettsburg Refining LLC

AMS

AMS/MSA